98-84346-26

Wakeman, Abram

The currency question

[New York?]

[1896?]

98-84346-26
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

Wakeman, Abram. The currency question [microform] : Free silver, what it means ... [New York? : A. Wakeman? 1896?] [MICROFILM] OCLC: 38246434

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 10:1 IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 2-26-98 INITIALS: PB

TRACKING # : 31589

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

P22.5
103

v. No. 15

Compliments of A Wakeman

Today there is neither Democratic or Republican Parties. It is Honesty and Justice against Dishonesty and Anarchism.

The Currency Question.

FREE SILVER, WHAT IT MEANS.—THE FARMER OF TODAY IN COMPARISON WITH THE "GOOD OLD DAYS OF OUR FATHERS."—WHAT SHALL BE DONE TO IMPROVE THEIR CONDITION.

To the Farmers of Washington County. By Abram Wakeman, Sandy Hill, Washington County, New York:

It would be well perhaps before discussing the question of the hour, to become familiar with the terminology. Fixing this in our minds will make the letters appearing in our daily papers a little more intelligent.

A BIMETALIST believes that both gold and silver should be on precisely the same footing with regard to mintage and legal tender.

THE MONOMETALIST believes in one standard only, and that standard, gold; other metals are to be used only as subsidiary coin.

THE FREE COINAGE SILVERITE believes that the coinage of silver should be as free and unlimited as that of gold; that is, on presenting any quantities of bullion at a mint the government should return its weight value in dollars at the fixed ratio of one ounce of gold to sixteen ounces of silver.

SUBSIDIARY COINS are legal tender for only a specified amount; for example, our small silver coinage is called subsidiary.

FIAT MONEY is that made by command or decree, as were our old greenbacks, which are not gold or silver certificates.

DEBASED MONEY is that which has less of the pure metal than its face value in open market.

LOOKING BACKWARD.

In order to reach the correct solution of this important financial problem, we must look back as far as possible and see what has been its history.

The first money transaction of which we have a record was about 2,000 years before Christ. It is found in Genesis, where Abraham bought a piece of land in which to bury Sarah, his wife. In payment he weighed 400 shekels of silver. You will note that silver was weighed, not counted; the money of that time being bits of silver or gold weighed at the time of payment.

Shells, coal, leather and in fact most everything, including human beings have at one time or another been used as currency. Human beings were called "live money." It was about the eighth century before Christ that stamped money was first used, and during the fourth century before Christ it was in general use throughout the civilized world. Sparta tried iron for coinage, but as it took a cart and two oxen to draw $100 it was abandoned. During the first century it had settled down to two metals, gold and silver. Each

LIBRARY OF
THE ... CLUB
SOUND CURRENCY COMMITTEE,
52 William St., New York.

nation had a standard of its own, but it debased its coin to such an extent that the stamped values were fictitious.

In 1035 England made the word pound, which when spoken of as currency, mean one pound of silver, and the word sterling to mean standard as to the fineness, The uncertainty of a coin's value became so great that Edward IV in 1551 said, "It was in such a state of fluctuation and confusion that a vender could scarcely tell what value he was receiving for his goods.".

In 1421 Parliament decreed that all gold money should be passed by weight only, and all light coins should be taken to the Tower and recoined. In consideration of the loss to the holders the usual coinage charge was remitted.

For the 100 years, dating from 1558 to 1659, England coined of gold $1,861,500 and $86,547,380 of silver; about five times more silver than gold. As the Bank of England, while not the oldest, is the best known of all financial institutions in the world, and in fact is the controling power in this very question, a little of its history would not be out of place.

It was established in 1694, charted by Parliament the same year, providing the capital of $6,000,000 was paid in. The government was to have permanent use of its capital at 8 per cent. per annum. The government turned over its financial affairs to tho bank, paying it $20,000 a year for its services. The whole stock was subscribed for in ten days. Under its charter the governor of the bank must be a stockholder to the extent of $20,000, the deputy governor, $15,000 and each directors $10,000. In 1845, 100 years after the establishment of the bank, the government paid for managing its financial business about $500,000 per year. In 1844 when its charter was renewed among other changes was one providing that the bank shall not retain in its issue department at any one time silver to an amount greater than one-fourth of the gold held at the same time, also that notes may be demanded for gold at the rate of $19.14 per ounce of standard gold. The fixed ratio of silver being 15½ to 1.

THE AMERICAN CURRENCY.

We now come down to our currency. Prior to the American Revolution the condition of the currency of the colonies was in a most deplorable state. In Rhode Island, between 1744 and 1749, it took $2,250 in paper to obtain $500 in gold. About 1755 it was $11,500 for $500. In 1767 the colonies tried to arrange the currency, excepting South Carolina, where it was 700 to 1. The exchange then ruled from 32 to 145. After the colonies declared their independence and formed a congress, provisions had to be made for money to carry on the war. There was issued every month paper money, equal to $2,000,0000 until it reached $300,000,000 and had become practically of no value.

In 1781 Robt. Morris, our financier, offered a plan for a National Bank, somewhat similiar to the Bank of England, with a capital of $400,000, to be called Bank of North America. Congress having approved and subscribed for $250,000 of its stock, it was charted in Pennsylvania and began business in 1782. The bank was very successful and is still in existence in Philadelphia, with a capital of $1,000,000. In 1784 the pound sterling being of different value in different states, owing to the number of grains of silver it contained, for example some had 1,289 grains; others 1,031½ grains; New York but 966⅔. The importance of a coinage and money unit became so evident that congress appointed a special committee to draft a system, which it had power to do, according to the constitution, Act I, Section 8, paragraph 5. "Congress shall have power to coin money, regulate the values thereof, and of foreign coins, and fix the standard of weights and measures." Thomas Jefferson was made chairman. Now as he has always been considered the father of Democracy, it will be well to follow him closely. He says, "In fixing the unit of money these circumstances are of principal importance.

First. "That it be of convenient size to be applied as a measure to the common money transaction of life.

Second. "That its parts and multiples be in an easy proportion to each other, so as to facilitate the money arithmetic.

Third. "That the mint and its parts or divisions be so nearly of the value of some known coins as they may be of easy adoption for the people. The Spanish dollar seems to fulfil all these conditions."

Having decided upon the dollar, the following coins were advised: The Eagle, $10; one-half Eagle, one-fourth in proportion; the Silver Dollar; the one-half; one-fourth, and ten cent piece or dime.

Now came the question of ratio, one that had troubled the world since gold and silver were used as coins. Jefferson says, "The proportion between the values of gold and silver is a mercantile problem altogether. The legal proportions of Spain is 16 to 1; of England, 15½ to 1; France, 15 to 1 and our own financier states it is at present 14½ tc 1." Listen to what the great Jefferson says: "Just principles will lead us to disregard legal proportions altogether, to enquire into the market price of gold in the several countries with which we shall principally be connected, and to take an average from them." Good sound business like advice.

WHAT SIR THOMAS GRESHAM SAYS.

Sir Thomas Gresham, the financial adviser of Queen Elizabeth and the greatest financier of the sixteenth century, and founder of what is known as the Gresham Law, says on this very point in 1696, 200 years ago, "When two sorts of coins are current in the same nation of like value by denomination, but not intrinsically, the market value, that which has the least value, will be current and the other as much as possible, will be hoarded or melted down or exported."

Our father of the treasury, Alexander Hamilton, says in speaking of legal ratio values between gold and silver: "A third ill consequence resulting from it is a greater and more frequent disturbance of the state of money unit by a greater and more frequent diversity between the legal and market proportions of the metals. This has not hitherto been experienced in the United States, but it has been

elsewhere and from its not having been felt by us hitherto, it does not follow that it will not be the case hereafter when our commerce has attained a maturity, which will place it under the influence of more fixed principles. In establishing a proportion between the two metals there seems to be an option of one of two things. To approach as nearly as can be ascertained the mean or average proportion in what may be called the commercial world, or to retain that which now exists in the United States, as far as they happen to coincide, they will render the course to be pursued more plain and more certain." Continuing he says, "There can hardly be a better rule in any country for the legal than the market proportions, if this can be supposed to have been the case by the free and steady course of commercial principles. The presumption in such a case is that each metal finds its true level, according to its intrinsic utility in the general system of money operations."

The last words of the late Secretary Windom, who, regardless of party, was considered one of our greatest financiers, were with reference to a free silver coinage bill, "Possibly before the swiftest gray hound could land its silver cargo in New York, the last gold dollar within reach would be safely hidden in private boxes, and in the vaults of safe deposit companies, to be brought out only by a high premium for exportation."

This ratio question is the all important one, so let us consider it carefully. The shekel which Abraham used was of silver, weighing 218 grains, worth 55 cents and a shekel of gold 109 grains, worth $4.[illegible]0, making the ratio 15 to 1. At one time the laws of the Menus made it 2½ to 1 throughout the East in the fifth century. Before Christ it was 6 to 8; in the time of Plato 10 to 1; in the twelfth century 9 to 1; in the eighteenth century 15 to 1; at present 32 to 1. In 1782 we made the ratio 15 to 1, it being a commercial average ratio at that time. It was not until 1792 that the coinage laws went into operation, although in 1787 a few copper cents were struck off. They were of the following description; On one side 13 circles linked together, a small circle in the middle with the words "United States" around it, and in the center the words, "We are One," on the other side a sun dial with the sun above it and "Fugio 1787," and below the dial, "Mind your Business." The Spanish milled dollar not weighing less than 387 grains was also made legal tender.

AS TO THE COINAGE.

Let us now examine the question of coinage. Cuba freely accepting our dollars, all was well until the speculator, who in those days had an eye for the nimble sixpence, found by shipping our silver dollar of 371¼ grains, pure silver, could get the Spanish milled dollar, weighing 387 grains and having the same recoined at our mint, there was clean profit of about four per cent. This kept our dollar out of circulation, and in 1805 under President Jefferson, their coinage was stopped, gold remaining in circulation. In 1810 we found our ratio of 15 to 1 was too low, that is, one ounce of gold in this country was worth 15 ounces of silver, while in Europe it was worth 15½ ounces. Naturally Europe was getting all the gold, so that in 1817 we had neither silver nor gold. In 1834 congress debased our eagle by reducing the amount of pure gold from 247½ grains to 232 grains, and in 1837 the silver dollar from 416¼ to 412 grains, or 16 to 1.

What has been the effect of 16 to 1 so far? In Europe the ratio was 15½ to 1. This made gold worth with us just one-half an ounce more of silver than with them. We were then purchasers of gold, and soon our silver had disappeared leaving but the subsidary coins. This was our position in 1860 atthe beginning of our Civil War. In 1863 specie payments were suspended, and resumed in 1869. In 1870 a bill was introduced before congress, but did not become a law until 1873. It was to revise the coinage laws. This was the bill which is said by the silver men to have caused all the trouble, but just why it is hard to tell, for up to this date the total coinage of silver dollars had been only eight millions, and the country had in fact been on a gold basis for nearly 40 years. By this bill the coinage of silver dollars was dropped. The trade dollar was issued hoping it would be taken for export as the weight and fineness were stamped on each one, but it was not a success, and its coinage was discontinued. The silver for this dollar was purchased in the open market. There was no excitement about the bill at the time. It passed the House by a vote of 113 to 10 and unanimously by the Senate. Senator Stewart, now the strongest of free silver men, said Feb. 11, 1874, "Let us do as all the people of the world have been doing from the beginning, measure our values by gold. I want the gold standard, and, no paper not redeemable in gold. Gold is the universal standard of the world. Everybody knows what a gold dollar is worth."

MINE OWNERS FRIGHTENED.

That was when they expected the price of silver would advance as the production had dropped off a little, but as it increased the mine owners became frightened. The Bland bill was passed in 1878 after a long struggle and over the veto of President Hayes. This bill partly repealed the act of 1873, as it compelled the treasurer to purchase at least $2,000,000 worth of silver and not more than $4,000,000 each month. The market price for silver in 1878 was $1.15 per ounce, the same to be coined into dollars of 412½ grains and were to be legal tender for their nominal value. This was not free silver, for the government made the charge of one-fifth of one per cent for coinage, but it made nothing for it was obliged to make each dollar so stamped good for 100 cents. As the price of silver still continued to decline, the silver mine owners again demanded free coinage, declaring that the fault lay with the government in not purchasing enough, the treasurer only purchasing the minimum amount each month. In 1890 the Sherman act * was passed. This was a com-

* Senator John Sherman of Ohio, who a Tammany Hall Democrat called "a mere hireling of the money bags of Wall Street" on our fair grounds at a public meeting held a few weeks ago, has served his country for nearly half a century as Congressman, Senator and Secretary of the Treasury, and yet is comparatively a poor man. Perhaps to no family do we as a country owe more than to the Shermans; John as a statesman and William T. as a general.

promise bill and an experiment, which proved a costly one. Under it the government was to buy four and one-half million ounces each month, or what would aggregate that amount at the market price. The silver men were willing at that time to accept a 20 to 1 ratio. Against the silver so purchased the treasurer was to issue notes that should be redeemable in coin, also saying, it being the established policy of the United States to maintain the two metals on a parity with each other, on the present legal ratio, 16 to 1, or such ratio as may be provided by law. Silver continued declining until the country became frightened; we were on the point of a panic; Europe was throwing our securities over; gold was being hoarded. The whole nation demanded a repeal of the purchasing part of the act, which was done by a special session of Congress, called by President Cleveland in 1893. Up to its repeal this experiment cost the government over $120 000,000, caused by the shrinkage in value of silver from $1.20 to 97 cents, up to 1893 and today the price is 69 cents per ounce.

Now let us consider our present position. The government has on hand a stock of silver amounting to about $600,000,000, in which there is a loss of about $150,000,000 at the present market value. We have in circulation about $1,729,000,000, with a gold reserve of $100,000,000. We have issued bonds, payable in coin, for $250,000,000, selling same for actual gold, and today we are borrowing from the banks, dickering with exchange brokers, principally those who have branch houses in England, trying in every way to pay one-hundred cents on the dollar. Many a business man has passed hours of untold agony thinking how he was to meet his maturing obligations. Uncle Sam is in that position just at present. Let us look at the trouble as business men, not as gold bugs, or silver men.

WHAT IS THE GOLD RESERVE ?

I have been asked what the gold reserve was, and what for. In 1875 there was issued and sold $95 500,000 of bonds, the proceeds of which, together with other gold in the treasury, created a gold fund deemed sufficient to meet the demand which might be made upon it for the redemption of outstanding United States notes. At this time about 90 per cent. of the duties were paid in gold. It did not fall below $114,000,000 until 1892, and in 1893 it was down to $97,000,000, and 1894 $65,000,000. Bonds were now issued and sold, bringing the reserve in March to$107,000,000. On June 30th it had fallen to $64,000,000. Another sale of bonds brought it to $ 11,000,000, where it was December, 1894, but in February, 1895 it had fallen to $41,000,000, $43,000,000 being withdrawn in one month. Then came the sale of $62,000,000 worth of bonds to the syndicate, in which the government was said to have lost $16,000,000. July, 1895, the reserve was up to $107,000,000, but in one month it fell to $79,000,000. You all remember the great sale of $100,000,000 worth of bonds for gold only and how quickly this gold was consumed.

The whole financial question is admitted by the leaders of

both parties to be one of political economy. For guidance it would be well to take J. Stewart Mill's fundamental principles of political economy. They are, other things being equal :

"First. The greater the supply the less the price.

"Second. The smaller the supply the greater the price.

"Third. The greater the demand the greater the price.

"Fourth. The smaller the demand the less the price, and generally the price will vary directly as the demand and inversely as the supply, or the price is regulated by the supply and demand."

The value of gold and silver is so regulated. This is about as near as the two parties can get. The silver men argue these two main points:

First. We must create a demand for silver; that is, if the government will coin all the silver that is offered we will force other nations to follow, thus the demand and supply being about equal on the ratio of 16 to 1 it will be maintaining, as no nation pays more or less than another. Each will have what is necessary and good for it. The greatest, and perhaps the most intelligent of all the silver men is the Hon. R. P. Bland (better known as Silver Dick). This is what he says, speaking in 1893, of the failure of the Brussels International Conference:

"The time has come when 60 or 70 millions of people must act independently. No limping or stilted standard, such as we now have can long survive. Silver is either a safe money metal, or it is not; if it is not suitable for free coinage it ought not to be debased by limiting its coinage." Continuing, he says, "What safer system can be desired than that of gold and silver freely coined, with the coin note issue in the metal as a basis, dollar for dollar." This is all very fine, but just see how the all important question of ratio floors him, as it has with every other advocate that has ever attempted to make an impossible thing possible. Speaking on this point he says :

RELATIVE RATIO OF METALS.

"As to the ratio, or relative amount of the metals that shall be equal in debt paying power, that is now, as it always has been, a question under the constitution, for congress to determine." If Mr. Bland, who has made this very question the study of his life, cannot fix it, how can about 150 men, 75 per cent. of whom have not one idea of ratio, especially where there are are two sections represented, one the mining, or producing, the other the consuming power ? That section which had control in congress from time to time would be continually changing the ratio value to suit their own interests. We should have a changeable dollar in value with almost every session of congress. France changed the ratio 150 times in 100 years.

The second argument of the silverites is, that there is not enough money in circulation, and there is not enough gold to make the money with, so we are laboring under contracted currency, trying to make one dollar do the work of two, or even three. Gov. Pennoyer, of Oregon, * one of free silver's strongest advocates, says :

* Hon. Sylvester Pennoyer Governor of Oregon, in the North American Review for August, 1893.

"While the gold and silver of Greece and Spain yielded their precious treasures, Rome prospered. When they failed, Rome declined. At the commencement of the christian era, which occured at the very apax of Rome's greatness, the coined money of the Roman empire was esimated at $1,800,000,000, while at the time Columbus set sail from Palos, the estimated coined money of all Christendom was less than the $200,000,000. For nearly 15 centuries the splendid civilization attained in Greece and Rome had been gradually, but surely declining. Civilization had retrograded, commerce had fallen into comparative decay, the arts had declined, while the people had fallen into a hopeless condition of serfdom." In fact the very "Old Harry" was to pay and all the deminuation of the volume of the world's circulation of money. Speaking of the monometal policy, he says: "The stupendous folly and colossal crime of this policy can be seen at a glance, when we remember that the world's supply of gold is estimated at $3,700,000,000, and that the national indebtedness aggregates over $35,000,000,000. No mountebank ever imposed upon a credulous auditory a more transparent fraud than the attempt to do the world's business on a gold basis. The two drunken louts, who of a cold winter night discarded one blanket because it was white, and struggled under one old yellow blanket, too short and too narrow to cover them both, were not one whit more foolish than our government in discarding the broad bimetallic basis of our fathers. Now you are certainly entitled to the facts. Two metals should be better than one for a currency, and as Mr. Bland says, "we must force other nations to follow by ourselves taking the lead." So we should if such a thing as forcing others were possible, for we are now the largest silver producing country in the world, and our government should do all in its power as far as safety to itself will allow to find as high a market for silver as possible. Let us see what has been done by other governments, as well as our own: That you may see fairly I will give you a little history of the different money conferences. The Latin Union was formed in 1865 by France, Italy, Switzerland, Belgium—Greece, soon after becoming a party. This idea was to form a uniform metallic currency. The contracting states preserved the double standard with a ratio of 15½ to 1, the five franc silver coin alone being legal tender.

All pieces of less than five francs were to be limited. Each state agreed to receive into its treasury, in any one payment, the coins stamped by the other nations without limitations as to the values in the case of gold coins, and five franc silver pieces, and to the amount of 100 francs in case of other silver coins. The latter were to be legal tender in the country that issued them to the amount of 50 francs ($10) between individuals. The coinage was reserved to the states respectively and was restricted to six francs ($1.20) per capita. When you consider the geographical positions of these states, being clustered around one center, people of one race, and the fairness to all of the system, at once even a silver man would say it should succeed, but it did not; conferences held in 1874, 5, 6 and 8 resulting

in first limiting the coinage of the five franc pieces and then the total suspension of their coinage. The Latin Union is still in existence, but the coinage of silver of full legal tender was suspended in 1885. In 1867 at the invitation of the French government a monetary conference was held in Paris. Twenty countries were represented. It failed to come to any conclusion and adjourned for one year, but did not meet again. The next was called by the president of the United States, authorized by a special act of Congress. Its object as set forth in the act was to invite the governments of Europe to join in a conference to adopt a common ratio between gold and silver, for the purpose of establishing internationally the use of bimetallic money, and securing fixity of the relative values between these two metals. Now what more could the silver people wish? Here our government is doing its best to have silver used on a bimetallic basis. It met in Paris Aug. 16, 1878. Twelve countries were represented and after six sessions, Mr. Fay the president, declared in the name of the European delegates that they recognized that each tub could stand on its own bottom. The delegates from the United States expressed their dissent.

VARIOUS CONFERENCES HELD.

The conference of 1881 was called by the government of France and the United States. The purpose was the same as that of 1878. It was held in Paris. There were 19 countries represented. 13 sessions were held. Nothing was agreed upon. It adjourned to April 12th, 1882, but was not convened again. During the Paris exposition, 1889, another conference was held. It also failed to agree on the silver question. In 1891 was the Brussels conference. This was the most important of all. It was called by President Harrison. Correspondence with the European powers had been going on for a long time, but all felt that England must take part. The subject was taken up by the Department of State, and through our minister, Mr. Lincoln, as a matter of truth, we just begged England to participate, which they agreed to do. The object was stated to be to consider by what means, if any, the use of silver be increased in the currency systems of the nations, broad enough for any one, and not only this, but President Cleveland had gone into power, and the free silver element was stronger than for years. The instruction to our delegates was in part, "It is the opinion of the President, and as he believes of the people of the United States, with a single unanimity, that a full use of silver as a coined metal at a ratio to gold, to be fixed by an agreement between the great commercial nations, would highly promote the prosperity of the world." There were 20 nations represented. Mr. Alfred DeRotchschilds, was one of England's representatives, and a member of the greatest banking house in the world. What such farseeing financiers have to say must be of interest to all. He says: "The American government are purchasers of silver to the extent of 54,000,000 of ounces yearly, and I would suggest that, on condition, these purchases were continued, the different European powers should combine to make certain yearly pur-

chases, say the extent of about £5,000,000 annually, such purchases to be continued over a period of five years at a price not exceeding 43 pence (86 cents) per ounce standard, but if silver should rise above that price, the purchase for the time being to be immediately suspended.

"Gentlemen, I need hardly remind you that the stock of silver in the world is estimated at some thousands of millions, and if this conference were to break up, without arriving at any definite result, there would be a depreciation in the value of that commodity, which it would be frightful to contemplate and out of which a momentary panic would ensue, the farspreading effects of which it would be impossible to foretell." The end of this great conference which had cost so much time, trouble and money, was, I quote from the president's closing remarks: "We have finally, I venture to assert, a lively and sincere desire to come together again, with the conviction that we shall be better equipped to reach a successful result than when we began our labors." What an ending for the Union; it never met again. You must decide if the governments of the world have not done all possible to bring about the results wished for by our silver friends.

GOVERNOR OF OREGON'S ARGUMENT.

Let us now give attention to the argument of the Governor of Oregon. That during the Roman Empire all was beautiful and everyone happy, because there was coined money to the extent of $1,800,000,000. As the Roman Empire was said to have had a population of about 120,000,000, it would make $15 per capita, and those who are a litte up in Roman history would not consider, that unless you were an aristocrat, Rome was a pleasant place to live in, not at least for the wage earners. The total money in circulation in the United States in 1895 was $1,684,131,968, or $22 96 per capita. It seems as if the Governor of Oregon was just a little out of the way in his argument, and again the circulation of the United States per capita is greater than in any other country, excepting France, where the use of checks and drafts are not general.

PER CAPITA CIRCULATION.		INDEBTEDNESS.
Russia	$8 32	$ 30 00
France	36 70	116 00
Gt. Britain and Ireland	19 98	87 00
Italy	9 63	76 00
Spain	17 89	73 00
United States	22 96	14 00

You will see the per capita circulation, also the per capita indebtedness showing that we are by far better off than any of the other great nations; in fact, the only one where the circulation is greater than the indebtedness. Mr. Bland, in his argument, makes the statement that if the government will coin all the silver that is offered we will force other nations to follow; in other words, 70,000,000 of people will force 1,000,000,000 of people to do what for years they, themselves, have been unable to accomplish. J. Stuart Mills, you

will remember, says, "price depends on supply and consumption," so let us consider the cause of the present great decline in the price of silver. I will give the date when the great nations ceased to be purchasers of silver for coinage, also the ratio value and production:

ADOPTION OF GOLD STANDARD		RATIO	ANNUAL PRODUCTION
Great Britain	1816	15 28	$22,000,000
Portugal	1854	15 33	36,000,000
Germany	1873	15 92	115,000 000
Latin Union	1885	19.41	90,000,000
Russia	1886	20.78	106,000,000
India, stopped Silver Coinage	1893	26.49	160,000,00
"	1894	32.56	180,000,000

You will see that there has been not only a large falling off in the consumption, but the supply since 1816 has increased from $22,000,000 worth to $180,000,000 in 1894 and the market value by ratio to gold of 15 28 to 1 to 32 56 to 1.

EFFECT OF SILVER COINAGE.

The probable effect of free silver coinage would be, as our government would be obliged to pay about twice as much for silver, that is 16 to 1, while the market value is 32 to 1. We should be forced to coin at least $200,000,000 each year, or $1,000,000,000 in five years, this is leaving the present stock of bullion for commercial use, while our whole currency at present is about $1,500,000,000. Think where we would be in twenty years, even allowing the production did increase, having over $5,000,000,000 of silver currency on hand. Our trade with other countries, last year, was $1,700,000,-000—$1,100,000,000 with Europe—every cent of which would be in gold, were it not that our paper money is payable in gold or it's equivilant; that is, you can take a silver dollar and exchange it for a greeenback, take it to any sub-treasury in the United States and exchange same for a gold dollar, but just so soon as this becomes impossible, owing to the excessive coinage of silver, there would be a premium on gold until silver reached it's market value of about fifty cents on the dollar. This would also force the government to repudiate, that is, refuse to give gold for our currency notes, where they also would be worth only what was given in exchange for them, that would be silver dollars, whose real value would be half of the amount stamped on them. What is the power of a dollar today? First, consider the ratio of wages, and the cost of hiring. We find the wage earner can live better today than any time since 1840, as far back as I went, that is his dollar has more power than at any other period. Then take wages, prices and purchasing power of wages. Starting in 1860 at 100 we find wages, prices and purchasing power about even. While prices, in 1865 advanced to 190, wages were at 160, and the purchasing power away down to 70, that is, the so called dollar did not not have half the purchasing power it should. While there was an almost steady decline in prices from 1865 to 1879, wages had declined but very little and the purchasing power

had advanced steadily from 80, in 1865, to 170 in 1891, that is, that the wage earner was never so well off as he is now. But the position of the producer is bad, being obliged to pay the extreme high price for his labor, while obtaining only the extreme low price for labor's product. The best condition for a country is when wages, prices, and wages purchasing power are about even. This shows one of two things, either wages are too high, or prices too low. The third element is regulated by the other two. There is but one policy for a government to pursue in such a case, that is known as, by protection of it's industries against the low priced labor of Europe. We have seen free silver would give us a debased currency. Now what would be the effect on the middle classes, or the wage earner and farmer ?

We find an almost impossible showing, that is, that insurance companies, fraternities and banks are indebted to the people over $15,000,000,000 and there would be a per capita loss of $111.12 or five times as much as our per capita circulation, so that a man with a family of four, counting himself would lose nearly $500. You for example, have, say life insurance of $2,000; in bank, or on bond and mortgage $1,000; other investments $500 outstanding; owing you $500; making your estate's total cash worth $4,000, or what would go to your family were you to die now, but live until after there is free silver and your estate would receive that which would be equivalent to $2,000, or half. The general effect on the country we can only forsee by looking at what it has been in countries who have persisted in issuing silver alone, or more correctly using a much greater proportion of it than gold. Having personally seen

THE GREAT WRONG IT HAS WORKED IN HAITI.

Of that poor country will I speak. There currency is silver and paper, with the United States gold The first silver coinage was about 1825 and were of very light weight, but were legal tender up to about 1884 when being so debased that while the coins face value was 40 cents, they would only pass 20 cents or 30 cents, others being in like proportion. The government then put the legal tender value of just half their face or stamped values, issuing at the same time a new coinage with weight and fineness stamped on them. In 1891 the old coins were called in. The farmer wishing silver even of the subsidiary class, there was soon a premium of two per cent. on the dollars and from eight to ten per cent on the small change, the idea of the farmer being that where he had a quantity of silver in his hands, they were richer than where it was only a few bills; therefore those who would pay in all small silver coins would purchase the most of the produce, hence the large premium on silver. The government in 1895, taking advantage of this fact, put a large quantity of large and small silver coins in circulation. But as there had not been any sudden decline in the price of silver until 1883, the old practice of making the subscriptions to their loans receivable in either paper or silver, although Europe demanded that interest and principal should be payable in gold. To do this all export duties

were made payable in gold. The law provides that all export duties shall be paid in gold coins of the United States. When they came to buy their silver for coinage they found it had also to be paid for in gold. The market value of their silver coinage soon became known.

SILVER BECAME UNPOPULAR.

The farmers, in the mean time, having found that the big pile of silver did not purchase any more than a few bills, besides being too heavy to carry about, and more apt to be lost, refused to take but a small proportion in silver, which reversed the old state of affairs, putting a premium of two to four per cent. on the paper currency. The government, being obliged to purchase gold to pay it's interest, found it's silver, which it had received in subscription for it's bonds at par, was only worth 50 cents on the dollar. Now see the condition of the country. The dollar, that July 1st, 1895, was worth 90c, was worth Jan. 1st, 1896, but 60 cents, June 1st, 1896, only 40 cents; July 1st, 50c. As 40 cents is a little below it's intrinsic value, what could be the result ? As silver being legal tender, merchants were obliged to receive same in payments of their outstanding due for merchandise, for which they had, or would have to pay for in gold. The people refused point blank to pay more than 15 to 20 per cent. advance on their new purchases. The products of the farmer, excepting that which was exported, coffee and logwood, and they only advanced about 10 per cent., the prices remained unchanged. The sale of imported articles, having almost stopped, with the great loss they had suffered from depreciation in the value of the currency, caused the failure of about three-fourths of all the bankers and merchants. Prices of wages had declined, as business being at a stand still hundreds were thrown out of employment, and able bodied men were receiving but 15c a day for 10 hours work. The farmer found, excepting on articles exported, he received no more, while flour, beef, salt fish, etc., and all clothing, he was obliged to pay an advance of 15 to 20 per cent. The wage earner found, while he was receiving even less, the purchasing power of his wages was only about half. The condition of Haiti, when I left in June, was most deplorable. Excepting on a much larger scale what could we expect under unlimited coinage.

WILLIAM J. BRYAN'S FALLACIES.

Mr. Bryan, Democratic candidate, in his great New York speech says: "We contend that the free and unlimited coinage, by the United States alone, will raise the bullion value of silver to it's coinage value, and thus make silver bullion worth 129 cents per ounce in gold throughout the world," an advance of 60 cents per ounce. If such an advance would be caused by United States alone, should all Europe follow us, as we are told they would, the price of silver would advance, allowing the coinage of all Europe to be only ten times more than ours, to $6.89 per ounce, or about a ratio of 3 to 1. The silver dollar would be smaller than our one-fourth of a dollar now, the half dollar about that of our present 10 cents, and

the quarter, of the old five cent piece, while a silver ten cent piece would be so small you would be hardly able to see it. Mr. Bryan also says: "There are some who, while admitting the benefits of bimettalism, object to coinage at the present ratio. If any are deceived by this objection, they ought to remember that there are no bimetallists who are earnestly endeavoring to secure it at any other ratio than 16 to 1. We are opposed to any change in the ratio for two reasons: first, because a change would produce great injustice, and, second, because a change of ratio is not necessary. A change would produce injustice, because if effected in the manner usually suggested, it would result in enormous contraction in the value of standard money." Compare such foolish statements with Major McKinley's letter of acceptance, which gives both facts and figures.

We have seen that the falling off in consumption and the great increase in production of silver has caused the price to decline from $1.16 per ounce in 1890 to 61 cents in 1896. Let us now consider the great decline in the price of wheat, whose price is also controlled by supply and demand.

CHANGES IN WHEAT PRODUCTION. *

Russia exported in 1873, 34,786,000 bushels; in 1891, 81,300,000 bushels; increase, more than double. India exported in 1873, 394,000 bushels; in 1891, 30,307,000 bushels; increase more than 80 times as much. Argentine Republic, none. Agentine Republic in 1876, 20,868 bushels; in 1891, 470,107,000 bushels; increase, more than 22,000 times as much. Total United States exports in 1873, 224,034,000 bushels; in 1891, 572,833,000. Showing a total increase of 895,000,000 of bushels a year.

OUR GREAT COMPETITORS.

Russia, India and the Argentine Republic, have become our great competitors, and our own crop has more than doubled between 1873 and 1891. In 1873 there were 12,864 United States patents taken out, while in 1891 23,254, showing the great increase in our facilities for handling our crops. The large increase in the population of the United States has caused a much greater increase in the cultivated acreage. In 1866 there were 15,424 496 and in 1896 35,047,332 acres of wheat alone,† more than the total acreage of all England. ‡ In 1895 a total of 129,603,640 acres of cereal crops, while the population changes but little. I heard a farmer at the Durkeetown picnic, say, while the currency question was being discussed, "I don't care if it is gold or silver, so I can get more money." What do people mean by more money? In 1691 Sir Dudley North said, "Money is not their wants, but a price for their corn and cattle, which they would sell but cannot." This is the position of our farmers today, but there are two kinds of money, good and bad; the difference between them, as France's greatest financiers said, "It is by the ordeal of fire that money may be tried; the coins being melted down retain the entire value for which they are legal tender before they were melted down are good money; those which do not retain are not good money." We have seen that facts and figures show us that free silver would not give us good money, but we are told with free silver "we shall return to the good old days of our fathers." Let us look and see what these "good old days" were and perhaps we should not care to return to them. Our position is that our farms do not produce with the present prices enough to support our families in the manner in which they have become

* Speech of Hon. Jas. T. McCleary of Minnesota, in the House of Representatives, Feb. 12, 1896. Every farmer should read a copy of this speech which can be had free on application at Washington, D. C.
† U. S. Department Agriculture report.
‡ N. Y. Produce Exchange report, 1894, 5.

accustomed since the high price of 1863. What is the reason of this? You say because the prices are too low, caused the silver men say, by a contracted currency. Let us see what our fathers received for their crops in comparison with today, taking 1850 and 1896 for dates:

Cost of Production, Production, Price and Profit per Acre, 1850, Compared with 1896.

	* 1850.						1896.				
Grain.	Cost of Production.	Production.	Price.	Gross Profit.		Net Profit.	Price.	Profit.	Plus over 1850		
Wheat	$12 70	20 bushels	$1 00	$20 00		$12 30	68	$13 60			
		2 tons straw	2 50	5 00	$25 00		$7 50	15 00			
						† Grain in threshing	05½	1 10	$29 70	$17 00	$4 70
Barley	14 66	21 bushels	50	10 50		84	35	7 50			
		2 tons straw	2 50	5 00	15 50		7 50	15 00			
						Grain in threshing	05½	1 15	23 65	8 99	8 06
Oats	14 20	38 bushels	28	10 61		1 44	25	8 50			
		2 tons straw	2 50	5 00	15 64		7 50	15 00			
						Grain in threshing	05½	2 00	25 59	10 87	9 43
Rye	10 11	12 bushels	70	8 40		3 40	40	4 80			
		2 tons straw	2 50	5 00	13 40		7 50	15 00			
						Grain in threshing	05½	2 09	20 46	10 55	7 15
Indian Corn	15 65	32 bushels	50	16 00		5 35	40	12 80			
		2 tons fodder	2 50	5 00	21 00		6 50	13 00	25 80	10 25	6 90
Hay	6 50	2 tons	6 00	12 00		5 50	13 00	26 00	19 50		14 00
Potatoes	32 50	80½ bushels	37½	114 00		81 50	45	136 80	104 30		22 80
Buckwheat	7 50	17 bushels	50	8 50		93	45	7 65	15		

* From transactions of the New York State Agricultural Society, 1850.

† Threshing, 1850, 8 cents per bushel; 1896, 2½ cents, a gain of 5½ cents per bushel.

We find we are receiving nearly twice as much for our products as our fathers did, then prices must not be blaimed for hard times. There are two causes for our position: first, labor is so much higher compared today with 1850.

	1850	1896
Man, per year	$150 00	$365 00
" " month	12 00	30 00
Boy per month	6 00	12 00
Hired girl "	5 00	10 00

Labor is now double what it was in 1850. Again in "the good old days of our fathers" the work was done by the sons and daughters, attending only the district school winters, and doing the chores mornings and evenings. Now 75 per cent. of labor on the farm and in the dairy is hired. The second reason for our "hard times" is the high prices paid for all products, with even lower wages for years after the war closed, got our families accustomed to luxuries unknown to the farmer in our father's days. Sons and daughters must go to high schools and colleges, after which, seeking their occupation in the commercial centers of our great cities. The old carryall gives way to a new carriage and fancy buggy, while a piano becomes a necessity. Then there are finer clothes to be paid for, a better table tea, coffee and meat every day, to say nothing of a trip to the seashore once in two or three years. The farm has become neglected, as after crops are in the hired man is let go, while the old father, not able to do the work, is yet too proud to admit it. Each year brings a smaller crop and a less price, Again the great farms of the west, worked by three or four families, every man, woman and child a laborer, all the latest harvesting machinery, driven by steam, have been such crop producers, that our farms of the east are matters of history only. A western farmer once said to Mr. D., of this village, "The trouble with your eastern farmers is you sell what you cannot eat, while we eat what we cannot sell." All think and believe that the farmer should have all the comforts possible of this life, as the brain and sinew of this great country are the product of the farm. Let us see how best we can obtain them. There are two ways open to us : first, by protection against the cheap labor of Canada and Europe, to be had by a protective tariff; second, by producing such products, that, owing to their condition, are perishable, or on which their is a high rate of freight, thus enabling us to compete. In comparison of prices with 1850, we find oats, hay, butter, poultry, eggs and beef, under a McKinley tariff are even today profitable. Let us produce such products from among them that are best adapted to our farms, not all one or two things, but compare notes among ourselves, so there may not be an over production of some while others are neglected. Let us now consider what is not only for our own good, but for the whole country : In 1776, 1812 and 1863 the state had always found it's most sturdy upholders from among the farming element. Shall 1896 be different ? Shall we not now, as always, stand up for honesty and justice against dishonesty and anarchism ? The country needs us today more than ever. Do not let us be found wanting. Let not our sons and daughters be less proud of us, than we are of our father's good name. Fifty-two cents worth of silver can never make a good dollar.

END OF

TITLE